

Statement of Clay Sell
Deputy Secretary
U.S. Department of Energy
Before the House Energy and Commerce Committee
Subcommittee for Oversight and Investigation
January 30, 2007

Chairman Stupak, Congressman Whitfield, and Members of the Subcommittee, I welcome the opportunity to appear before you today to discuss security within the Department of Energy and the recent security incident at Los Alamos National Laboratory (LANL).

The national security responsibilities entrusted to LANL are among our Nation's most important. The successes that have sprung forth from this great lab in years past, and today, are properly a source of great pride and power in our country. The capabilities of the men and women of LANL continue to make this lab still the only place to go for many national security requirements. And, of course, the secrets entrusted to the lab are among our Nation's most sensitive. These are among the reasons that the facts of the most recent security incident at LANL are so troubling and a source of such tremendous frustration and concern to the Secretary, me, and many others throughout the DOE enterprise.

And now, despite years of focused attention and the expenditure of millions of dollars, we are confronted again with a security failure, the facts of which suggest we still have a much larger and deeper problem. Many well-intentioned leaders have worked to improve security at LANL over the last few years. And in many key areas, the Department and the Laboratory have made substantial progress. But Secretary Bodman and I are less interested in effort, process, and good intentions and more interested in results; and the results on matters of security at Los Alamos National Laboratory remain unacceptable.

You have already heard from earlier witnesses about what they think may have led to the problems, and what happened in the recent matter. Later today, you will hear from the Acting Administrator of the NNSA, the Department's Chief Information Officer, and the Director of LANL in more detail. Therefore, I intend to focus the balance of my remarks on what the Secretary and I are doing to fix problems and move forward.

1. In the immediate aftermath of learning about the security breach at LANL, we acted immediately to assess the situation and understand the facts. The NNSA Administrator dispatched the Chief of Defense Nuclear Security and a cyber security team to the site to begin immediate review of the incident. On October 26th, the Secretary ordered the Inspector General (IG) to investigate. And on October 30th, I personally traveled to the Lab to meet directly with those on the ground and to gain

first-hand knowledge of the incident to begin remedial actions to address the problems.

2. We took quick action to address realized vulnerabilities. On November 8th, I issued a memorandum to improve cyber security protection for classified computer systems throughout the DOE complex. That memo included immediate direction to every lab and DOE facility operating a classified system to conduct an examination of the adequacy of its practices and procedures to ensure that classified information is protected using multiple layers of cyber security protection, including protection against potential insider threats. Also, the memo required an accounting by each lab and facility for full implementation by January 15, 2007.
3. In response to findings contained within the Inspector General's report issued on November 27, the Secretary directed two actions. First, the creation of a senior level ad hoc committee to review all of the recommendations in the Inspector General's report except those concerning the Department's security clearance process. Second, the establishment of a task force to review the personnel security programs throughout the entire DOE complex. Both reviews will conclude and provide recommendations to the Secretary no later than February 28, 2007. Once we have reviewed the results of the Laboratory's actions, corporate and Federal validation activities, the Secretary's two Task Forces' recommendations, and other actions that have been directed, we will develop additional improvements and conduct follow-up reviews, as necessary. We will be pleased to discuss with the subcommittee the additional actions the Secretary decides to take once he has received and reviewed the Task Forces' recommendations.
4. Furthermore, during numerous occasions, meetings and conversations with the NNSA Administrator and his team, the LANL Director, and members of the Executive Board of LANS, LLC, the Secretary and I have expressed our depth of concern, sense of urgency, and expectations for accountability from the top of the department down to the bottom of the laboratory, and that these continuing security problems must be addressed, rectified, and prevented in the future.
5. Even before the recent incident at LANL, the Department had substantially increased focus and attention on matters of cyber security, including hiring a new CIO to reinvigorate and strengthen our efforts. Among other things, he accelerated the effort to update our cyber security order and National Security Systems Control Manual and has taken numerous actions to improve our Department-wide cyber security posture. We also brought in a new Chief of Counter-Intelligence and reorganized the office to improve its performance.
6. The Department also previously recognized that the leadership of the laboratory could be strengthened by competing the M&O contract. And last July, a new corporate leadership team took over management of the laboratory for the first time in its 64 year history.

7. Finally, because it is our view that we are accountable to the President, the Congress, and the American people not just for efforts, but for results, the Secretary and I made the difficult decision to replace the Administrator of the NNSA.

Only time will tell if we are to be successful. But the Secretary and I are committed to making the tough decisions required to lead our Department to a level of security performance befitting the great missions you have asked us to carry out. We have made progress in improving security across the Department and at Los Alamos, but as the latest incident indicates, we have much more work to do. We remain committed to the task.

I am happy to answer your questions at this time.